

SENATE BILL 2338  
By Dixon

AN ACT to amend Tennessee Code Annotated, Title 13, Chapter 14, relative to creating a Tennessee Network for Community Economic Development.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. A community-based development organization is an organization that:

- (1) Is established under the state charter provisions of the Tennessee Code;
  - (2) Has qualified for tax exempt status under Section 501(c)(3) of the Internal Revenue Code;
  - (3) Has a purpose, stated in the articles of incorporation, to serve low and moderate income people's need for community development and community self-help;
  - (4) Was not organized and is not controlled by government entities or agents;
- and
- (5) Was not organized and is not controlled by a for-profit entity or agent.

SECTION 2. A program may be established by any county or municipality to build local capacity to address any or a combination of the following:

- (1) Housing needs of people with low or moderate incomes, for home ownership and affordable rental housing, including housing development for the elderly and persons with a disability;
- (2) Employment needs of people with low or moderate incomes including job placement with attendant support, small business and entrepreneurship development, and for-profit business development by nonprofit community-based development organizations;

(3) Social service program needs incorporated as a component of community economic development strategies; and

(4) Communications technology to build a network to exchange information and provide technical assistance in the field of community-based economic development.

SECTION 3. In carrying out the provisions of this act, any or a combination of the following shall be provided:

(1) Grants to initiate new community-based development organizations in communities lacking one;

(2) Grants to existing community-based development organizations to extend their capacity to meet the housing and job creation needs of their service area including staffing and reasonable administrative costs;

(3) Grants to community-based development organizations for strategic planning towards project identification, selection, and implementation;

(4) Grants to community-based development organizations for projects that combine community-based social service programs with related jobs for low and moderate income persons to promote community revitalization;

(5) Grants to community-based development organizations for housing development projects to build and renovate single and multi-family housing;

(6) Grants to community-based development organizations for job creation projects which promote small business development by low and moderate income entrepreneurs and nonprofit organizations, for the placement of low income people in jobs with attendant support, and the retention of those jobs;

(7) Technical assistance to developing community-based development organizations, and existing community-based development organizations to carry out the provisions of this bill. For purposes of this act, technical assistance includes, but is not limited to, training and assisting community-based development organizations with:

(a) Conducting needs assessments;

- (b) Training boards of directors;
- (c) Staff development training;
- (d) Recruiting project development teams;
- (e) Determining and applying for available assistance;
- (f) Conducting feasibility studies;
- (g) Financial planning;
- (h) Preparing project budgets;
- (i) Proposal writing;
- (j) Organizational structure and design;
- (k) Generating local support; and
- (l) Obtaining legal and accounting advice.

SECTION 4. In carrying out the provisions of this act, preference shall be given to community-based development organizations that:

(a) Serve a geographic area which has been marginalized due to its small population, high ratio of African-American residents, persistent poverty, or other factors which effectively resulted in structural disinvestment.

(b) Can demonstrate support from the community, particularly the community which will directly benefit from the development efforts.

SECTION 5. Rules may be developed by the county or municipality to carry out the provisions of this act, including rules to define “persons of low and moderate income”.

SECTION 6. Nothing in this section shall limit the authority or powers of community-based development organizations currently authorized under the law.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.